cleared in DTA; non achievement of NFE positive by certain units; violation of conditions of Letters of Permissions (LOPs); short levy of duty on Domestic tariff Area (DTA) sales, *etc.*

The Special Economic Zones (SEZs) are under obligation to achieve positive Net Foreign Exchange (NFE) earnings over a period of 5 years, failing which penalties are leviable. The SEZ Act, 2005 provides for domestic clearance by units in SEZ on payment of chargeable duties of customs including Anti-dumping, Countervailing and safeguard details under the Customs tariff Act, 1975 where applicable, as leviable on such goods when imported. In its audit report, the scope of which covered 2061 Special Economic Zone (SEZ) units, C and AG has observed that 22 units in two SEZs had been achieving the prescribed positive Net Foreign Exchange (NFE) mainly through domestic sales. However, as per the latest figures compiled for the year 2007-08, physical exports from the SEZs are of the order of 84% of their total turnover. During this period, the domestic supplies made by SEZs were about 12% and sales in Domestic Tariff Area, not counted for positive NFE, was about 4%. The Approval Committees under the Development Commissioners constituted for all Zones, which comprise of representatives from Customs, Income-tax, State Governments *etc.* have been directed to monitor the performance of the SEZ Units.

Study on impact of organized retail on small shop owners

1726. SHRIMATI BRINDA KARAT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether ICRIER has given any study on impact of organized retail on small shop owners; and

(b) the main recommendations and the Government's view on it?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) The findings and recommendations of the report furnished by the Indian Council for Research on International Economic Relations (ICRIER) and the follow-up action by the Government are given in the Statement. (Refer to Statement part (c) of U.S. Q. No. 1719).

Purchase of Spy Der quick reaction anti-Aircraft missile system

1727. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of DEFENCE be pleased to state:

(a) whether Government is thinking of Upgradation of MiG-29 fighter fleet as well as the purchase of Spy Der quick reaction anti-Aircraft missile system through global tendering;

(b) if so, will such a deal contain "specific clause" towards transfer of latest technology and its adoption by our defence installations presently involved in the manufacture and maintenance of such sensitive hardware; and

(c) the expenditure likely to be incurred in this upgradation and fresh acquisitions?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) A contract for upgradation of MiG-29 aircraft was signed with M/s RAC-'MiG', Russia on 7th March, 2008 on single vendor basis. The contract for SPYDER Low Level Quick Reaction Missile system was signed with M/s RAFAEL, Israel on 1st September, 2008 after multi-vendor global tendering.

(b) Transfer of Technology for series upgrade of MiG-29 aircraft and their Repair and Overhaul (ROH) is part of the upgrade contract. However, transfer of technology was not considered viable in case of Low Level Quick Reaction Missile system.

(c) An expenditure of 964.082 Million USD (approximately Rs. 3875.61 Crores) would be towards upgrade of MiG-29 aircraft, and USD 260,050,000 (approximately Rs. 1137.71875 crores) for purchase of Low Level Quick Reaction Missile systems.

Outsourcing in Defence Sector

1728. SHRI TARINI KANTA ROY: Will the Minister of DEFENCE be pleased to state:

(a) whether Government has appointed a Committee to identify the areas which could be outsourced in Defence Sector;

(b) if so, the areas recommended for being outsourced;

(c) whether recommended outsourcing involve substitution of perennial nature of job through contract labour; and

(d) if not, the reasons therefor and if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (d) Information is being collected and will be laid on the Table of the House.

Development of unmanned AK-47

†1729. SHRI BALAVANT *ALIAS* BAL APTE:
SHRI SHREEGOPAL VYAS:

Will the Minister of DEFENCE be pleased to state:

(a) whether Government's attention has been drawn to the project of Government polytechnic Institute, Firozpur for the development of unmanned AK-47; and

(b) if so, the plans for commercial utilisation after examining and encouraging it?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI RAO INDERJIT SINGH): (a) to (b) Information is being collected and will be laid on the Table of the House.

Contract Labour in MES

1730. SHRI TARINI KANTA ROY: Will the Minister of DEFENCE be pleased to state:

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†Original notice of the question was received in Hindi.